Questions About Each Financing Model

1. What are the pros of the model?
2. What are the cons of the model?
3. How applicable/workable in AR?
4. Are there variations of the model that might work better in AR?
5. Are incentives for users properly aligned or adversely aligned?

Vermont: Vermont Information Technology Leaders (VITL)

Vermont Funding Sources:

Leg. Appro.:	$2.1M
VT Dept of Health:	$1.8M & 5 yr. contract
Payers & others:	$1.0M
Data Service Contracts:	???

Vermont Health IT Fund

Supports Health Information Exchange

Funding:

Medicaid annual contribution $250,000

Effective 10/1/2008 all insurers pay **either**:

- 0.199% fee for all healthcare claims paid

OR

- a fee based on payers proportion of overall claims pd in VT

VHCITRF Estimated total: $32M over 7 years

New York: State Health Info Network (SHIN-NY)

Health Care Efficiency & Affordability Law (HEAL):
- Bonding authority for capital hospital and HIT projects
- $1 Billion over 5 years
- $750 M for state hospital system
- $250 M for HIT infrastructure

Other Funding from federal and state grant, waiver, etc.:
- CDC- $20M; 1115 Medicaid Waiver demo project
- NY St. $5M grant for SHIN-NY Governance
- US-DHHS $2.8M for NHIN project

Delaware: Delaware Health Information Network: DHIN

Funding: Federal, State & Private

    2005 launched w/AHRQ funding of $4.7M

    2006 State Leg. Appro. $2M w/required private sector match from hospitals, labs, BC/BS; 2nd year was $3M from State

Startup Phase of $5M to get functional; build to scale with higher costs, but recovered in expanded customer base.

Transaction Fee: Private sector charge based on volume of transactions—larger data provider pays more

*Now considering expanded model w/health plans PMPM; and possibly a subscription fee for customers who want "services" from and thru the Exchange

Next Meeting: Potential Players & Payers

- Public Health
- Medicaid
- Other State Agencies & Programs
- Employee Benefit Division
- Private Insurers
- Labs
- Physicians, Clinics, Hospitals, others
- Data Users, Researchers, etc.